



ANNUAL REPORT 2013

3 RIVERS[®]

Helping people understand money matters every day.



A message from the President & CEO

I am pleased to report that 3Rivers continued to successfully grow in 2013 as a result of our mission, "Helping people understand money matters every day." We saw our physical presence grow with the grand opening of 3Rivers at The Harrison and the completion of our Northland campus expansion project. Not only, did we physically grow, we grew our assets by 5% and added another \$5.8MM to our reserves. The credit union remains very well capitalized with capital of \$81MM. We continue to meet the ever changing lending needs of the membership and increased our loans to shares ratio to 82.3%.

PHOTO COURTESY OF STEVE VORDERMAN

PHOTO OF BUSINESS SERVICES TEAM

HIGHLIGHTS FROM 2013:

- Completed the Northland campus expansion project. As of June 2013, all administration and support teams are in one central location, increasing our ability to collaborate and efficiently serve our membership.
- Opened our first downtown Fort Wayne branch at The Harrison in January. This location positions 3Rivers for continued growth in the competitive business banking landscape.
- Added \$10.7MM in Member Business Loans.
- Grew our Credit Card portfolio to over \$27MM.
- ClearFuture™ Financial is quickly approaching a major milestone of \$100,000,000 of assets under management.
- Continued to be one of the largest home construction lenders in the market with 107 loans for \$26MM closed in 2013.
- 3Rivers became first credit union in the country to launch Mobile Bill Pay using Picture Pay technology.
- Third consecutive recognition in Workplace Excellence by Peter Barron Stark Companies.
- Recipient of Allen County Solid Waste District: Excellence in Recycling Award, recognizing 3Rivers as a leader in the way our organization reduces waste, reuses materials and recycles.

As we recognize the accomplishments of 2013, we look forward to working together to improve the lives of our members and our community in 2014. We are proud to remain a truly LOCAL financial institution for you, our loyal and supportive membership. Thank you for your continued trust in 3Rivers.

Sincerely,



DON CATES

PRESIDENT & CEO



NORTHLAND CAMPUS EXPANSION PROJECT

In 2011, 3Rivers Federal Credit Union began work on one of the largest construction projects in Indiana. The Northland campus positions 3Rivers for growth for the next 10 years, ushering in a new era of services and experiences for our membership, employees and the region. In the past 10 years, 3Rivers has experienced a 450% growth in assets. With that unprecedented growth, the employee base and needs of the membership had outgrown those facilities. In planning, it was important that the new space increase efficiency, promote collaboration and have long-term sustainability. After years of careful planning, the new Northland campus held its grand opening on July 24th, 2013.

The campus serves as an innovative communication center for which 67,000 members across 18 locations are provided unparalleled support to learn and develop healthy spending, saving and borrowing habits. The centralized location means 3Rivers employees will be able to provide a highly responsive, consistent and personalized level of service that is clearly exceptional compared to the competition. The 3Rivers Northland campus is designed to meet the United States Green Building Council's LEED Silver Certification level. With 6 LEED certified buildings, 3Rivers is the largest owner of LEED certified branches in the state of Indiana. In 2013, 3Rivers was acknowledged by The Allen County Solid Waste District for the innovative way we reduce, reuse and recycle materials. The Northland campus has changed the way we do business, which helps us live out our mission: ***Helping people understand money matters every day.***



Northland Campus

- EXPANSION PROJECT -

“This centralized location means 3Rivers employees will be able to provide a highly responsive, consistent and personalized level of service that is clearly exceptional compared to the competition.”

SUPERVISORY

The Supervisory Committee is appointed by the Board of Directors in accordance with the Federal Credit Union Act. The Committee independently evaluates the soundness of our operations and activities, ensuring that management implements sound internal controls and maintains practices and procedures that adhere to generally accepted general accounting principles. In doing so, they carry out the following primary responsibilities:

- compliance with regulations, policies and procedures,
- safeguarding of assets,
- protection of members' funds and interests,
- reliability of financial records.

The Committee meets regularly to review and discuss internal controls, as well as auditing matters. To assist with these responsibilities, the Committee retains the services of several independent accounting firms to perform annual financial audits, analysis of operational practices, adherence to regulations and information technology general controls. During 2013, audits were performed by Doeren Mayhew; BKD, LLP; and Schneider Downs & Co., Inc.

Based on the results of these external audits, as well as an examination conducted by the National Credit Union Administration (NCUA), we conclude that 3Rivers is a financially healthy credit union and is being operated safely and soundly while providing quality member service.

LENDING

3Rivers remains committed to helping our members better manage their existing debt and providing relevant solutions when they need to borrow money to meet their financial goals and objectives.

2013 was another great year in loan growth for our credit union. Consumer loan production had over \$108 million granted to our members and the markets we serve. We also originated over \$105 million in mortgage loans, which assisted our members with the best possible solutions to purchase, build or refinance their homes. Our Business Services area enhanced the growth and development of the business entities we serve by increasing commercial loans outstanding to \$66.7 million; a 19% increase over 2012!

Overall, 3Rivers created considerable loan opportunities, which allowed our total loans outstanding to reach \$501 million; a 5% increase over 2012. These loan dollars represent a commitment to our membership and growing our investment with the families and businesses we serve in northeast Indiana and northwest Ohio. We remain dedicated to being a trusted partner who is aware and cognizant of our responsibility to provide pertinent financial solutions for today and tomorrow.



Balance Sheet

(IN MILLIONS)

ASSETS	2013	2012	LIABILITIES & MEMBERS' EQUITY	2013	2012
Cash and Investments	\$215.2	\$210.5	Shares; Savings, Drafts & Certificates	\$602.4	\$603.9
Loans to Members <small>(net of allowance for loan losses)</small>	497.7	474.6	Other Liabilities	79.6	41.8
Other Assets	50.7	42.5	Members' Equity	81.6	81.9
Total Assets	\$763.6	\$727.6	Total Liabilities & Members' Equity	\$763.6	\$727.6

2013
11.12%
2012
10.87%
2011
11.05%
2010
11.13%
2009
10.96%

(Net Worth Ratio)

Net Worth

(in millions)



Gross Loans Outstanding

(in millions)



Total Assets

(in millions)



Member Deposits

(in millions)



INCOME STATEMENT

(in millions)

	2013	2012
Interest Income from Loans & Investments	\$28.1	\$28.2
Dividend/Interest Expense for Member Accounts & Borrowed Funds	(4.3)	(5.7)
Net Interest Income	23.8	22.5
Loan Loss Provision	(2.1)	(1.7)
Other Income	14.1	14.5
Operating Expense	(30.0)	(30.6)
Net Income	\$5.8	\$4.7



 [3riversfcu.org](https://www.3riversfcu.org)
 260 490-8328

CURRENT BOARD OF DIRECTORS

CHAIRMAN	DON GREER	DIRECTOR	KEN GERKE
VICE CHAIRMAN	BRENT SPINDLER	DIRECTOR	STEVE HINTON
SECRETARY	DUANE DUNKIN	DIRECTOR EMERITUS	JERRY SPINDLER
TREASURY	MARK KERN	DIRECTOR EMERITUS	STEVE SINGER
DIRECTOR	CLIFFORD CLARKE		

